

40 Million...
Page 1 FOR MORE CLASSIFIED...

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Herald INTERNATIONAL Tribune

Algeria... 4.00 Din. Iran... 115 Rial. Oman... 0.900 Rial.
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Zimbabwe... 1.000 Dollar.

No. 32,479 31/87

PARIS, TUESDAY, JULY 28, 1987

Reagan Aides Split On Rest of Agenda

Chief of Staff Favors Compromises But Others Want to Go Out Fighting

By Lou Cannon
Washington Post Service
WASHINGTON — As President Ronald Reagan tries to emerge from the political trauma of the Iran-contra hearings, a quiet struggle is taking place within his administration over how to put the best face on the remaining 18 months of his presidency.
White House officials and Republican strategists say battle lines have been drawn between the White House chief of staff, Howard H. Baker Jr., who favors a limited but big-ticket agenda of arms control and budget compromise, and conservatives who want the president to go out fighting and draw clear partisan lines for the 1988 election campaign.
"What Howard really would like," said a Republican close to the administration, "is to get the president safely home to port without further calamities and to add the glow of an arms agreement in his final year in office. What some of the fire-eaters want is a year and a half of Congress-bashing and confrontation."
Mr. Reagan is in a combative mood after weeks of congressional hearings into the sale of U.S. weap-

Meese to Appear At Iran Hearing

International Herald Tribune
The Iran-contra hearings resume Tuesday morning, with Attorney General Edwin Meese 3d beginning his testimony.
Wednesday's session of the hearings has been thrown into doubt by the morning funeral service for Commerce Secretary Malcolm Baldrige. However, Mr. Meese is expected to resume his testimony that afternoon and may continue on Thursday.
Donald T. Regan, the former White House chief of staff, is scheduled to testify Thursday afternoon and on Friday. Defense Secretary Caspar W. Weinberger will appear next week for several days.

Kiosk Peres Meets Yugoslavians

JERUSALEM (Reuters) — Foreign Minister Shimon Peres of Israel met with President Lazar Mojsov of Yugoslavia in Geneva two weeks ago for the first high-level contact between the two countries in 20 years, Israeli officials revealed Monday.
The meeting occurred while Mr. Peres was in Geneva to meet with President Hosni Mubarak of Egypt during a United Nations conference on trade, a spokesman for the Israeli Foreign Ministry said. Yugoslavia broke diplomatic ties with Israel during the 1967 Middle East war.



Fyodor Fedorenko, a former Nazi stripped of U.S. citizenship, has been shot in the Soviet Union for war crimes, Tass said. Page 6.

GENERAL NEWS
■ John Demjanjuk denied at his war crimes trial in Israel that he was a Nazi camp guard. Page 2.
■ Rajiv Gandhi will travel to Sri Lanka on Wednesday to sign an agreement aimed at ending the civil war there. Page 6.
■ Black holes make up the cores of all galaxies, evidence suggests. Page 3.
BUSINESS/FINANCE
■ Sir James Goldsmith sold most of his holding in Générale Occidentale, the French media and retailing group. Page 9.

Dow close: UP 8.61
The dollar in New York:
DM £ Yen FF
1.86 1.585 150.65 6.175



Pedestrians waded down a flooded street in central Seoul on Monday after the South Korean capital was hit by a tropical storm.

Too Hot, Too Cold, Too Wet, Too Much

By Barry James
International Herald Tribune
The word from weather forecasters Monday was another week or so of the freak weather that has kept the north of Europe shivering and the south sweltering.
In South Korea, torrential rains fell on Seoul and set off floods and landslides that killed at least 61 people and drove 60,000 from their homes.
While much of northern Europe shivered under gray skies Monday, blistering temperatures caused hundreds of deaths in southern regions. Grave diggers in Greece worked overtime to cope with more than 600 fatalities attributed to the heat.
Forecasters blamed much of Europe's weather problems on a ridge of high pressure about a third of the way across the Atlantic, which is allowing Arctic winds to be drawn down from the north across Scandinavia. The Nordic countries themselves are experiencing one of the worst summers in memory, with temperatures hovering between 10 and 16 degrees centigrade (50 to 60 degrees Fahrenheit).
In what appears to be a follow-up effect, warm air is being drawn north from Africa across large parts of southern Europe, where temperatures have typically risen to 42 degrees centigrade (108 F), with humidity more than 80 percent.
"Sometimes, this kind of weather gets into a rut and stays that way," said Dr. Philip Jones, of the Climate Research Unit at East Anglia University in England. "This tends to happen more in the summer and winter than in the transitional seasons."
Although this seems to some people to be the latest in a series of bad summers, average changes in temperature and precipitation over a long period have been relatively minor. Research at the unit indicates that average global temperatures have risen only by about half a degree since 1900. It has become slightly wetter in higher latitudes over the past 130 years, while subtropical zones have become slightly dryer.
One theory is that this slight rise in temperature is due to the greenhouse effect, a condition caused by an increase in carbon dioxide in the atmosphere resulting from the burning of fossil fuels.
The research unit is trying to work out whether variations in temperature and precipitation are becoming closer together.
See WEATHER, Page 6

Dollar's Decline Changes Trade, Profit Picture

U.S. Companies' Sales Benefit
By Kenneth N. Gilpin
New York Times Service
NEW YORK — After scrambling about being priced out of markets when the dollar soared in the first half of the decade, companies across the United States are beginning to see its decline translate into healthier earnings.
Boston-based Polaroid Corp. is a case in point.
When Polaroid put its popular Spectra camera on the market in West Germany six months ago, the suggested retail price of \$50 Deutsche marks meant that about \$180 in revenue could be repatriated for each one sold.
Since then, the dollar has lost another 7 percent in value against the mark. Polaroid has not raised the price of its Spectra, but because of the exchange rate change, each camera now can bring home around \$189.
Last week, the company reported that international sales during the second quarter were up 26 percent from the same period a year ago, and that operating profit rose by 25 percent, mostly because of the weaker dollar.
"A lower dollar overseas helps a company like ours," said Sam Yanes, a Polaroid spokesman.
"A lower dollar increases revenue when you translate it back into dollars, and it allows you to make higher profit margins" if the product is made in the United States.
The dollar has been declining in value on foreign exchange markets since the second quarter of 1985. But the salutary impact of the drop is a fairly recent arrival to many corporate balance sheets.
"The effect of the lower dollar on corporate profits only began to show up late last year," said Lawrence Chimazine, chairman of Wharton Econometrics, "because foreign import prices did not start to rise significantly until the middle or end of 1986."
"That prevented domestic companies from benefiting from the weakness in the dollar's value."
Mr. Chimazine and other analysts said that industries such as chemicals, plastics and lumber that can move the fastest in exploiting exchange-rate movements are apt to realize a dollar-related pickup in profits more quickly than capital.
See PROFITS, Page 13

China's Little Emperors: One-Child Rule Begets Spoiled Brats

By Lena H. Sun
Washington Post Service
BEIJING — They are China's pampered darlings.
Eight years after the world's most populous nation put into effect its family planning program that limited most couples to one child, one of the most conspicuous results has been the rise of a generation of "little emperors," what in the West would be known as spoiled brats.
The official press is full of stories about such children. Last year, the newspaper China Youth News published a 12-part series titled "The Little Suns in Our Lives," which painted some disturbing portraits.
The parents of one third-grade boy, for example, bought him whatever he wanted. He dined on meat pies; his parents ate porridge. He spurned clothing that had been worn once. After his grandfather spanked him for starting a fight in school, the youngster took a pair of scissors and threatened to kill himself until the grandfather apologized and bought him a new toy.
The parents of a 7-year-old girl asked her to empty the chamber pot; but she only emptied half of it because she said she was not the only one who had used it.
"What will be the outcome if parents allow this willfulness to continue?" the newspaper asked.
China has 337 million children under age 14. Of those, about 9 percent, or 30.5 million, are children without siblings, and most of them are concentrated in the younger grades, family planning officials said.
Eight of every 10 first-graders come from single-child families. With the recent renewed emphasis on the one-child, one-child policy, that ratio is likely to increase to 90 percent over the next five years, according to Liu Bin, vice minister of the State Education Commission.
Many only children are so doted upon by their families that they become timid, overbearing, lazy, self-indulgent or contemptuous of physical labor, officials said. Most only children have "weak points, such as low ability to care for themselves, selfishness, willfulness and arrogance," Liu Bin said.
"The only-children issue has caused Newspapers warn adults against indulging in the '4-2-1 syndrome,' in which four grandparents and two parents pamper an only child.
Newspapers constantly warn adults against indulging in the "4-2-1 syndrome," in which four grandparents and two parents pamper an only child.
Doctors also worry that too many of these children are not just brats, but fat brats.
There is a growing number of overweight youngsters, most of whom come from single-child families, according to Yan Chun, director of the department of internal medicine of Beijing's Children's Hospital, quoted last year by the official New China News Agency.
The children's obesity stemmed from lack of exercise and overeating, he said, because their parents, operating under the traditional Chinese belief that fatter is better, stuffed them with chocolate and sugar.
In a country where the good of the collective is still paramount, at least in theory, the emerging social phenomenon of spoiled children is becoming an issue of increasing concern.
By 2000, most Chinese 20-year-olds will be from single-child families, the monthly Chinese Youth magazine noted in its June issue.
"What kind of younger generation will this be?" it asked. "What will be the impact of these brotherless and sisterless people on China's development?"
Officials have made clear that the one-child, one-child policy is vital to the country's economic policies and goal of limiting the population to 1.2 billion by 2000.
Earlier this year, the State Statistical Bureau announced that China produced 1.6 million more babies last year than planned. China's population is estimated at 1,057 billion. With few exceptions, harsh penalties, such as fines, are imposed on those who violate state guidelines.
Earlier this month, family planning officials said China was toughening birth control policies in rural areas where peasants were defying the one-child rule.
"There has been some slackening of See BRATS, Page 6

Rebuke Issued Over Stark

U.S. Navy Says 2 Officers Will Leave Service

Compiled by Our Staff From Dispatches
WASHINGTON — The captain of the U.S. frigate Stark and one of his officers were reprimanded Monday and will leave the navy for being unprepared for the Iraqi missile attack that killed 37 sailors in the Gulf, the navy announced.
The punishment handed out by Admiral Frank Kelso 2d, the head of the Atlantic Command in Norfolk, Virginia, means that neither Captain Glenn R. Brindel nor his tactical action officer, Lieutenant Basil E. Moncrief Jr., will be court-martialed.
The admiral who investigated the attack recommended that both officers face military courts on charges of negligence and dereliction of duty "related to the readiness of Stark to respond and unsatisfactory response," an official source said.
A third officer who was relieved of command following the May 17 attack, Lieutenant Commander Raymond Gagan Jr., the executive officer and second in command of the ship, is to be dealt with separately, officials said.
Captain Brindel is to be allowed to retire, dropping a grade to commander, and Lieutenant Moncrief is to resign from the navy after eight years of service, the navy said.
"The degree of culpability is mitigated by the unique circumstances of the incident and its aftermath," the navy said.
Coast Guard Evaluation
Patrick E. Tyler of The Washington Post reported from Dubai, United Arab Emirates:
Marine and salvage sources said Monday in Dubai that a U.S. Coast Guard inspection team would evaluate the decision by Kuwait's state oil company to temporarily forgo repairs to the supertanker Bridgeton, damaged Friday by a mine, to complete the first round trip of its oil shuttle under U.S. protection.
The chairman of Kuwait's state See GULF, Page 6

7 Lebanese Are Killed In Israeli Raid

By Nora Boustany
Washington Post Service
BEIRUT — In the first seaborne attack along the Lebanese shore since the 1982 Israeli invasion, Israeli commandos killed seven Sunni Muslim Lebanese militiamen mistaken for Palestinian guerrillas, security officials said Monday in the port city of Sidon.
Fighters of the Nasserite Popular Liberation Army eluded with Israeli soldiers who landed from boats late Sunday night on a coastal road south of Sidon. The Israelis hid behind mounds of sand near the road.
As a Lebanese jeep turned around in an empty lot near the sand piles, Israeli commandos fired two anti-tank missiles at it. When another vehicle followed, the Israelis fired again, advancing from the road and triggering a 15-minute battle.
Seven Lebanese militiamen were killed and four were wounded but there were no Israeli casualties, according to reports from Tel Aviv.
Israeli helicopter gunships dropped orange flares as the Israeli commandos retreated toward the shore and then departed.
Usually patrolled by Palestinian guerrillas based about half a mile (nearly a kilometer) from the seafront, the area of the shore now is policed by Lebanese Sunni militiamen.

INTERNATIONAL Herald Tribune

On Squaring the Circle

The latest foreign trade figures show May to have been less than a wonderful month for the United States. But the international currency markets, after a hiccup, shrugged off this interruption of a mildly encouraging trend.

A Lasting 'North Effect'?

Fifty percent against the Reagan administration's policy toward Nicaragua, and about 25 percent in favor — that has been roughly the public opinion scorecard for years.

Secretary Baldrige

Malcolm Baldrige was one of those rare public people who have — and retain — a set of strong private values and interests while they are at the top of government.

The U.S. Role in Seoul's Reversal: Congratulations Are Not in Order

By Selig S. Harrison

WASHINGTON — On July 9, just before the columnist Charles Krauthammer congratulated the Reagan administration for its role in the South Korean political crisis (H/T, July 13), demonstrators pulled down the American flag and burned it on the balcony of a leading Seoul hotel amid "wild applause" and "a roar of approval among the hundreds of thousands of protesters," according to a report in The New York Times.

Informed of Chun's impending decision to break off the talks on constitutional reform, the United States temporized.

Information has made the promotion of democracy "central to American policy" in the Third World. He gives the administration more credit than it deserves for the eleventh-hour change in its Korea policy.



CHUN DOO HWAN — Drawing by David Smith K&W Syndicate.

The Danger To Gandhi, And to India

By Mohammed Ayoob

NEW DELHI — Almost halfway through his first elected term as prime minister of India, Rajiv Gandhi may be in serious danger of losing control of the ship of state. The Indian press portrays a youthful leader under siege. While this is partly the result of the press's self-assigned role of critic of any government, it is also a reflection of Mr. Gandhi's loss of credibility among class India's 100-million-strong middle class.

Listening to Him Testify, the Colonel Frightened Me

By Michael Norman

NEW YORK — I once wore the same uniform as Lieutenant Colonel Oliver North and walked in the same bloody fields. Listening to him on television, I heard in his voice the echo of the past, and I looked at my two sons and was afraid.



Drawing by KAL in The Economic Bankers' Club Syndicate.

If Anything, North Deserves a Medal

OLIVER North's ordeal makes us think about dishonesty in public affairs. Few would deny that it is sometimes necessary or defensible. Good men do deceive in noble cause.

Nixon on Brezhnev's Toughness, Gorbachev's Charm

By C.L. Sulzberger

This is the second of two articles.

RICHARD Nixon's recollection of Leonid Brezhnev's hope for a cynical deal to carve up the globe gives an interesting insight into the Soviet leader, whose affable personal behavior masked a purely Stalinist conception of foreign policy.

whether he eventually will face up to the fact that in order to compete with the Europeans, the Americans, the Japanese and even the Chinese, he will have to change the system rather than just tinker with its parts.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982 KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER Co-Chairmen

1912: Rumors of War 1937: Palestine Mandate CONSTANTINOPLE — Confusion reigns in Constantinople, and the wildest reports of impending civil war [on July 27] are current. For the time being the falio-Turkish war has ceased to occupy the attention of the Government, which is concentrating its efforts on starting off the threatened conflict at home.

OPINION

It's Good to See America Practice What It Preaches

By A.M. Rosenthal

NEW YORK — The lives of millions of people in Asia, the Pacific and Latin America have been touched, deeply and for the better, by a turnaround in U.S. foreign policy.

ON MY MIND

States, overshadowed by the Iran-contra trauma. Just the same, it is likely to be the material of history books when people are saying, "Admiral Who?" and "Colonel What's-His-Name?"

For almost four decades, the United States could almost always be counted on to give its support to military dictatorships or right-wing civilian tyrannies.

Part of the reason was a fear of communism — often no paranoid mirage. But time after time the United States ignored or shunned the democratic center.

Just 18 months ago, on a trip to Asia, I visited three dictatorships — South Korea, the Philippines and Indonesia.

Time and again they had seen the government of the United States preach freedom and support tyrannies, and seen American citizens accept it.

Others Will Be Emboldened
JUST AS the people of South Korea took heart from the triumph over tyranny in the Philippines, the establishment of democracy in South Korea will encourage and embolden men and women in other countries.

extends that automatic support. What is more, the expectation is growing abroad that the United States will probably use its influence against the tyrants in time of crisis, not for them.

In the Philippines, the United States finally got around to understanding that Ferdinand Marcos had to go. In South Korea, Washington told the generals who have ruled for a quarter of a century that we will not be at all happy if they use arms to put down the revolution for political freedoms.

In Panama, we are trying to say goodbye forever to a strong general who once lunged with medals. In Haiti, and in a half-dozen countries in Latin America, we have removed our support from dictators or the comp-mind military.

What happened? For one, the Philippine street revolution turned out to have wings, as did the American and French revolutions in their time.

Corazon Aquino helped it fly. If she had not been there to channel the anger of the people into a democratic explosion, Mr. Marcos would have lingered on. The chances are that he would have been succeeded in his Manila palace not by a woman in a yellow dress but by a Communist guerrilla leader in jungle combat gear.

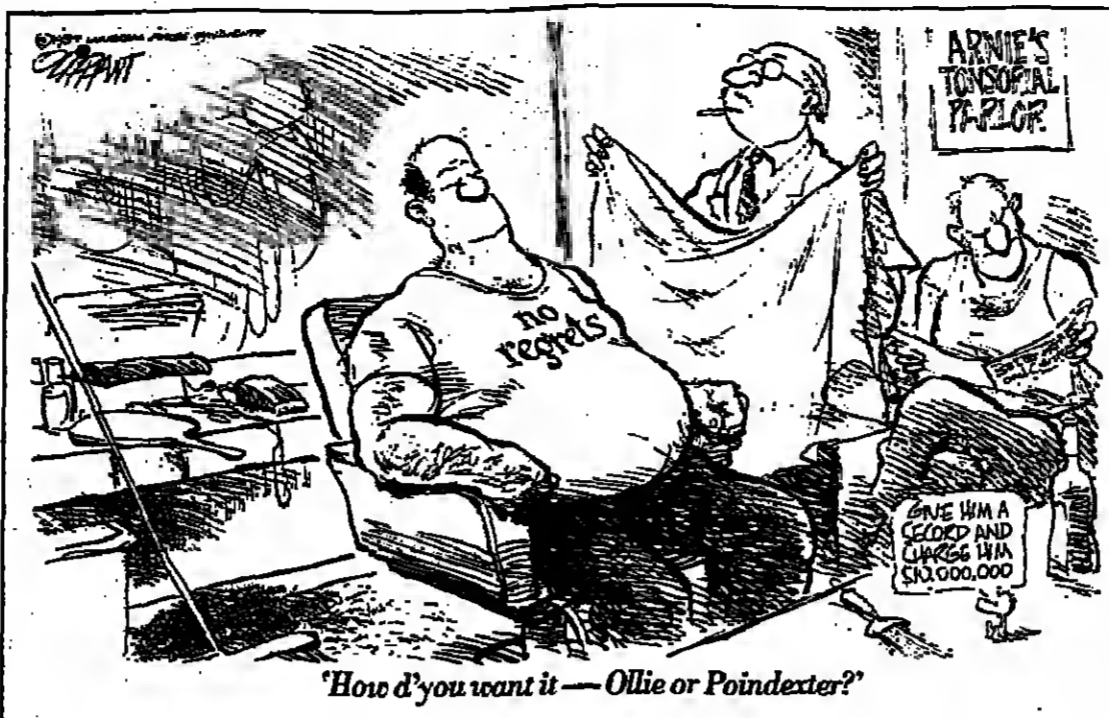
One day, Mrs. Aquino may have to fight the Communists, but she has bought time for herself and her people.

President Reagan as first would have preferred a Marcos victory. But something was happening in Washington as well as Manila. People stuck their necks out — State Department officials and military men like Admiral William Crowe, the chairman of the joint chiefs of staff. They persuaded Mr. Reagan that the security of U.S. bases in the Philippines, and of the entire American political position in the islands, would be swallowed in chaos and perhaps communism if Mr. Marcos stayed.

The Philippine revolution flew to South Korea. It has flown to Panama. It will fly wider as the word sinks in that something is happening in Washington aside from televised hearings dealing with sleaze and arrogance.

Mr. Reagan and the U.S. secretary of state, George Shultz, would have been furiously and properly denounced if they had stuck with Mr. Marcos, Mr. Duvalier, the South Korean junta and that Panamanian general.

They did not, and that is part of history and the daily lives of millions of people far from Washington and from Admiral Who and Colonel What's-His-Name. So a little applause will not hurt. It pays to praise people wise enough to come around to your own way of thinking.



LETTERS TO THE EDITOR

Concerns of a Big Investor

Regarding the report, "Hostile Megabids Are Out of Fashion," (Special Reports: Mergers and Acquisitions, May 29) by Peter Field:

Why would anyone want to reduce communities and industries rather than make them productive and profitable? Somehow this myth has gotten into place and it is damaging to a very progressive movement in corporate America.

Playthings? I can assure you that after spending several billion dollars, there is only one thing an investor has in mind and that is to make the assets of a company more dynamic than ever before.

T. BOONE PICKENS JR.
Amarillo, Texas.

The Larger Trade Problem

Regarding the opinion column "How to Fight for Open Markets Abroad," (July 16) by Richard A. Gephardt:

After having acknowledged that 80 percent of the U.S. trade deficit is America's own fault and the remaining 20 percent attributable to unfair trade practices, Mr. Gephardt then, as he did in writing the Gephardt amendment to the House trade bill, focuses his attention on the smaller rather than on the larger problem.

He makes no reference to the submission by the European Commission of more than 30 unfair U.S. trade practices. Recently, the European Community decided not to go ahead with a tax on oils and fats, the prospect of which had alarmed the American Soybean Association, but this could reappear as retaliation.

As a potential presidential nominee of the Democratic Party, Mr. Gephardt should direct himself to the bigger problem: lack of competitiveness.

Real Nuclear Proliferation

I agree with the concerns expressed in the July 18 editorials from The New York Times and The Washington Post, that nuclear proliferation is a terrifying prospect. But there is a tendency to see it only in terms of new countries trying to get the bomb (that is, horizontal proliferation), whereas real proliferation is taking place daily in the form of the nuclear arms race, whereby stockpiles are increasing (vertical proliferation) and spreading across the globe (geographical proliferation).

At the Sixth European Nuclear Disarmament Convention held in Coventry, England, in mid-July, more than 1,000 delegates from about 30 countries, East and West, North and South, took part in meetings and seminars on how to influence the political process toward arms control. A key theme was the current Euromissile negotiations. Speakers reminded those at a packed meeting in Coventry Cathedral that as the land-based Euromissiles are withdrawn, the United States is massively increasing geographical proliferation with cruise missiles on aircraft and ships.

As long as the superpowers continue to undermine their own nuclear disarmament attempts in this way, they will never be able to persuade Pakistan, India, Israel

and others that nuclear weapons are not essential for their security, too.

D. LOWRY,
Director, European Proliferation Information Center, London.

Another One for the Men

Regarding "Women's Colleges Endure in U.S.," (June 11) by Fred M. Hechinger: Nicole Reinhold, the associate director of the Women's College Coalition, is quoted as saying that "only two all-male U.S. colleges survive: Morehouse College in Atlanta and Hampden-Sydney College in Virginia." Mrs. Reinhold did not do her homework. I attend Washburn College, an all-male liberal arts college in Crawfordville, Indiana, which was founded in 1832.

"Washburn always fights!"
BOOTH S. JAMESON,
Indianapolis.

10,000 Linguistic Vandals Having Awfully Good Fun

By George F. Will

WASHINGTON — (Drum roll) ... and the envelope, please (pregnant pause). A winner in the annual Bulwer-Lytton Fictioo Contest is: "The sun rose slowly, like a fiery furbal coughed up uneasily onto a sky-blue carpet by a giant unseen cat."

It is heartening to see that standards are being maintained — standards

MEANWHILE

of awfulness, that is. The coughing-up sentence compares favorably to the following recent winner in the contest that challenges writers to compose the worst opening sentences for the worst novels never written: "The camel died quite suddenly on the second day, and Seleme fretted sulkily and, buffing her already impeccable nails — not for the first time since the journey began — pondered slyly if this would dissolve into a vignette of minor inconveniences like all the other holidays spent with Basil."

The contest is named after the writer who in 1830 published a novel that began, "It was a dark and stormy night..." Bulwer-Lytton's sentence churned on until it coagulated in a description of the wind "fiercely agitating the scanty flame of the lamps."

The contest is linguistic vandalism with an academic rationale, literary delinquency with a legitimate purpose. Some sentences submitted are disconcertingly familiar. I have the awful feeling I have read a detective novel that began with this Bulwer-Lytton winner: "There are things a good detective can feel in his bones, and Dillon Shane knew Jasmine Kimberly Collingsworth did not drown in her sleep on New Year's Eve."

And every spy novel I read loses me to a hairpin-turn first sentence like: "It came to him in a cocaine rush as he took the Langley exit that if Alrich had told Filipov about Hancock only Tullengian could have known that the photograph which Wagner had shown to Maximov on the jolting S-bahn was ool the photograph of Kessler that Bradford had found at the dark, sinister bouse in the Schillerstrasse the day that Straub told Percival that the man on the bridge had not been Aksakov Faustovsky, which meant that it was ool Kilest but Kruger that Chermensky had met in..." (That is about half the sentence that recently won the Bulwer-Lytton spy-fictioo category.)

"During an exuberant rainfall, a languid bottle of salad dressing sat passively on a Formica counter top." Bulwer-Lytton sentences, polished to perfect imperfection, are works of anti-art. They are clogged with metaphors, similes, adjectives and adverbs. The words pile onto and crumble onto one another like (stop me before I

overdose; the disease is catching) cars tailgating at high speed on a foggy freeway. And modifiers multiply madly, as in a "garden redolent of burgeoning tropical paradise."

Run for shelter, gentle reader: Rain is "splattering like raisins dropped by uncaring gods." But do not jostle the elderly woman whose lined face is "like a patchwork of meandering rivers strung together over a bed of walries."

Thrill to adventure: "The lovely woman-child Kaa was mercilessly chained to the cruel post of the warrior-chief Beas, with his barbarian tribe now staking wood at her noble feet..." Admit it: You get guilty pleasure from the phrase "nubile feet."

The Impresario of the Bulwer-Lytton contest is Scott Rice, a professor of English at San Jose State. Because

"The sun rose slowly, like a fiery furbal coughed up uneasily onto a sky-blue carpet by a giant unseen cat."

the contest demands only one sentence, it is, he says, perfect for persons "with short-winded muses." Obviously Mr. Rice is having fun, as are the authors of the 10,000 entries. But he has a serious point.

He believes that before you can write badly enough to win his contest, you must be a good writer. You must have a feel for how language misfires, how clumsy syntax can swallow thought. His contest is wordplay with a pedagogic purpose. If you can figure out what makes things (sentences, paintings, foreign policies) awful, perhaps you can reason back to rules of excellence.

"Clad in a light summer frock, the mauve print which James gave her when James was still interested in frocks and she in James, Vera sis brooding at the tea table and stirs a cup of what she expects is execrable Irish Breakfast, wondering why it is that when one's lovers become one's friends the resulting social discomfiture is imperceptibly but inescapably less intriguing than the sequestered malaise which results from the reverse."

As my blushing pen reproduces that sentence, a congressman is asking Rear Admiral John Poindexter if a particular person had been asked to do something in connection with the Iran-contra debacle. The congressman asks if the person had been "tasked with the effort." A Bulwer-Lytton dishonorable mention to the congressman who treats "task" as a verb.

Washington Post Writers Group.

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ARTS / LEISURE

Bohan, Scherrer: Short and Pretty for Evening



Marc Bohan's mink-trimmed black dress for Dior.

International Herald Tribune
PARIS—With the performance of Christian Lacroix on Sunday, a fashion page was turned and his was a hard act to follow. But with help from Jean-Louis Scherrer and Marc Bohan, of Dior, who both had pretty collections. Monday was business as usual. But there were customer-oriented collections. Lacroix's was packed with news and was highly directional. By now, the verdict is in. Minis are here to stay and short evening wear is what's happening. All curves are outlined over miles of legs in sheer black hose. At Pierre

HERE DORSEY

Cardin, a bride was adorable in a white tulle mini with white tulle cape attached to the shoulders. Fabrics are on the opulent side, with lots of black velvet trimmed with mink or sable. For evening, stiff satins and rustling taffetas and failles are redefining a new and more sculptured silhouette. There is a lot of color around, with purple a strong leader. Unlike many Paris winter collections, this is not a somber season.

Cardin's collection which opened the Monday shows, was a killer. Hundreds of models went by on the stage of his theater—a trying experience. It is hard to understand why he insists on showing daytime clothes. When they are not *à la vie*, they do not come close to good ready-to-wear. Fortunately, things picked up with evening wear, courtesy of his lifelong collaborator and friend, André Olivier, who has been designing this department with great success for years.

The daytime outfits were mostly Cardin revisited with the only memorable shape a cute, stretch mini that he showed in black with 10-inch-wide elasticized belt. Car-



Pierre Cardin's ruffled minidress. A Viennese influence marked Scherrer's collection.

din's customers, a group of unusually elegant women, including Claude Pompidou, loved the evening wear. Short looked best but there was something for everybody, including a long black tulle edged with fake diamonds. Organza petal coats, including a

hot pink one over a black stretch mini, stood out.

For Scherrer, it was Happy Father's Day with his two stunning young daughters, Leonor and Laetitia very much around. Leonor was giving Daddy a big hand from the second row while Laetitia came

on the runway on her father's arm—a beautiful, blonde bride.

Scherrer had a much better collection than usual—short and snappy and lighthearted. The music, Viennese waltzes, was a far cry from his usual morose tunes. With Scherrer, every woman is going to

turn into another Empress Sissi as the collection revolved around dreams of the Austro-Hungarian empire at the turn of the century. Charming folklore was back in—from fringed loden capes to elaborately embroidered evening gowns in colorful velvets and black braiding that graced the court of the Viennese emperors. White, fur-trimmed skating dresses, hunting costumes and androgynous suits borrowed from what men used to wear in Viennese cafes were in the same vein.

Suits were embroidered with braid and tassels and as rich as Viennese officers' uniforms. Fur trimmings abounded, with fur collars, hats, cuffs and muffs decorated with fox's heads in pastel colors. Valerie-Anne Giscard d'Estaing, the daughter of the former French president, loved the short evening wear, which turned out to be the strongest group.

Jean Barthes' hats for Scherrer were most elaborate and sophisticated. Barthes is one of the last great milliners in Paris, a true artist whose career seems to be finding a push now in a new American backer and talk of perfume.

Dior is still potent enough to pack them in and it was hard to match such a brilliant house—

with Bernadette Chirac and a slew of young, pretty and rich American customers—what Women's Wear Daily dubbed "Nouvelle Société." Among them, Lynn Wyatt and Ivana Trump, who looked like a pink bonbon. Close by were Princess Ferial from Jordan, Régine, and Rosa Polo, whose husband, Roberto, backs the house of Miguel Cruz.

Bohan managed to deliver his best collection in years—a treat after many sluggish seasons.

This collection was young, short and full of exciting colors and details. The beginning was the dullest part—with suits of mink-trimmed gray or black pin-striped flannel. But after this stern opening, it was uphill all the way.

Short, full and flaring coats were worn over short dresses and came in happy colors—red, purple, green and a brilliant yellow. One of the best looking suits had a long, slightly masculine and dapper jacket over a mini. The ambiguous masculine dress, black with a starched white masculine collar, is another Bohan specialty and went down well with his customers.

But mostly this designer had the best selection of little black evening dresses—a Paris perennial—in years.

paco rabanne
 Haute Couture Winter 87/88
 Ecole des Beaux Arts
 By invitation only

Bridging the Category Gap

By Michael Gross
New York Times Service

NEW YORK—Only in fashion could there be worse. Confused? That's all right; lots of other people are confused by the categories, like "designer," and "better," that retailers use to sell women's clothes in the United States.

"We segment our store to make it easier for the customer to shop," said Burton Tansky, president of Saks Fifth Avenue. "You try to put like businesses adjacent to each other."

These categories are most apparent in department stores. The lines blur in specialty stores and often disappear in small boutiques.

Once, U.S. stores divided most women's clothes into "missy" (now sometimes called "misses") and "junior" categories. Full-cut missy styles were for mature women. Junior styles were for small-boned young women.

In the 1970s a new category, "contemporary," came into being. "It was for the junior growing up who didn't feel comfortable in either junior clothes or her mother's clothes," explained Kalman Ruttenstein, senior vice president for fashion direction at Bloomingdale's.

Stores now use more specific categories, each of which can include casual, career and evening clothes, divided into "traditional" or "updated" subcategories. These are the categories a shopper needs to know:

COUTURE: A term often used incorrectly to refer to the highest-priced designer ready-to-wear lines. Strictly speaking, couture clothes are made-to-measure fashions purchased directly from a handful of designers who fit them personally.

DESIGNER: Top-of-the-line mass-manufactured clothes from well-known designers who are highly respected for their creativity. Though clothes by Bill Blass, Geoffrey Beene and James Galanos, for example, are sometimes referred to as "American couture," and clothes by high-priced young designers are sometimes called "new couture," they are all designer ready-to-wear.

BRIDGE: When are designers not designers? When they fit into this growing new category, which was invented to bridge the gap between designer labels and cheaper mass-manufactured brands. Though bridge labels often carry a designer's name, these designers are considered to be of lesser stature.

Ellen Tracy, Adrienne Vittadini, Andrea Jovine, Basco, Joan Vass, Nancy Heller and Tahari are well-known bridge labels. Many designers also have bridge divisions, among them Anne Klein II, Perry Ellis Portfolio and Calvin Klein Classics.

CONTEMPORARY: "It's fast-breaking fashion," said Ruttenstein. Contemporary can mean fashionable sportswear from such labels as Agnes B., Guess?, Basco or Willwear. But at higher prices, what are known as advanced contemporary subcategories can also include the labels of young designers like Rifat Ozbek, Marc Jacobs, Norbury & Osuna and David Cameron.

BETTER: Less individualistic career clothes from labels such as Liz Claiborne, Evan-Picone and Jones New York. "Updated better"

resources pick up on bridge looks at a better price," said Basha Cohen, the director of fashion merchandising at the Associated Merchandising Corp., which advises many department stores on buying decisions. Translated, that means that "better" labels that are more fashion-conscious often copy bridge styles and sell them for less.

MODERATE: Bread-and-butter business for department stores. "It's about as mass-market as we get," said Joan Kemer, the fashion director of Macy's. "A customer

here, said Cohen, "doesn't want to invest her life savings in clothes." Often, manufacturers of moderates offer items—a sweater, a blouse—as opposed to outfits.

MAIN FLOOR: What Cohen called "commodities," one-pocket T-shirts or tank-tops, for example.

BUDGET: Few fashion-conscious department stores stock budget clothes anymore. Rather, they are sold in discount stores. "You've hit rock-bottom," Cohen said. "Serious polyester."

DOONESBURY



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 • 47, rue Bonaparte
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Even though Singapore Changi Airport offers you some of the fastest and most convenient connections in Asia, we know any transit stop costs you time. We therefore go out of our way to make your stay here as pleasurable and as useful as possible. By offering you the choice of over 40 shops to buy a wide range of items—from souvenirs to jewellery, from cameras to candies at bargain prices. Or 9 restaurants serving delicacies to please every palate. Or a business centre, a nursery, and day rooms (6-hour rates). Of course we also balance the pressures and hectic pace of jet-age travel with cool, calm and courteous efficiency to help you get on with your journey. That's how we treat all our 10 million visitors a year. After all, according to the Business Traveller Magazine, we're the best airport in Asia.



SINGAPORE CHANGI AIRPORT
 THE AIR TRAVELLER'S HAVEN

INTERNATIONAL STOCK MARKETS

In Vienna, Eager Investors Coming Out of the Woods

By FERDINAND PROTZMAN
VIENNA — In July and August, the Viennese traditionally desert the city en masse, retreating to summer homes in the Vienna Woods or escaping to Austria's lakes and mountains to beat the heat and the throngs of tourists.

VOLUME HAS also soared. The latest daily volume record of 283 million Austrian schillings (\$22 million) was set last Wednesday, breaking the mark of 212.6 million schillings set July 17.

But Mr. Tondl of Citibank cited the need for caution. "The relative thinness of the market and liquidity must be kept in mind," he said.

Spending In U.S. Up 0.7%

Outpaces Rise In June Income
WASHINGTON — U.S. consumer spending jumped 0.7 percent in June, the largest spending gain since April, although Americans' personal incomes rose only 0.4 percent, the Commerce Department said Monday.

The spending increase followed a 0.1 percent decline in May and a 0.8 percent climb in April, while the income rise followed revised 0.5 percent increases in those months.

Personal consumption spending, which includes virtually everything except interest payments on debt, increased at an annual rate of \$20.4 billion in June following a decline of \$3.8 billion in May.

The June and May increases in personal incomes were affected by large increases in retroactive payments for Social Security benefits, which inflated the May advance, and in government subsidy payments to farmers in both months.



The fuel-efficient Tropicaire cruise ship helped make Carnival the industry leader.

Top U.S. Cruise Line Floats Shares

But Some Analysts See Snags in Carnival's Offering
By Kurt Eichenwald
NEW YORK — As a dinner for cruise line executives nine years ago, Ted Arison, then the president of Carnival Cruise Lines Inc., made an announcement that would help turn the industry around: He was going to build a ship.

Carnival has succeeded in large part by focusing on people who have never taken a cruise. Offering short cruises, of seven days or less, at a daily rate of \$200 or less, the company has attracted passengers who showed little interest in the luxury segment of the market, where cruises last 10 to 14 days at a daily cost of \$250 or more.

Goldsmith Sells CGE a Stake in Media, Retailer

By Jacques Neher
Special to the Herald Tribune
PARIS — Compagnie Générale d'Electricité, the French electrical engineering and telecommunications concern, said Monday it had bought most of Sir James Goldsmith's large minority holding in Générale Occidentale, the French media and retailing group that the Anglo-French financier founded.

The sale, which some analysts estimated would bring Sir James 1 billion French francs (\$162 million), baffled the financial community and left analysts wondering if Sir James was pulling out of France, or merely regrouping his assets for another try at creating a communications empire.

CGE's stock was up 1 franc at 330.90. Mrs. Hardy said Sir James' action means "he's obviously feeling restless. It looks like he's moving out of France." She said she doubted CGE would keep Sir James as the functional chairman.

Maxwell Ends Litigation, Drops Bid for Harcourt

Compiled by Our Staff From Dispatches
NEW YORK — Robert Maxwell ended Monday his three-month attempt to take over Harcourt Brace Jovanovich Inc. for around \$1.73 billion.

He said he was dropping litigation designed to stop Harcourt's \$2.9 billion restructuring. Harcourt, an entertainment, publishing and insurance company based in Orlando, Florida, implemented the restructuring plan in May to thwart an unwanted buyout offer from Mr. Maxwell's British Printing & Communication Corp.

Currency Rates

Table with columns for Currency, Rate, and other financial data.

Interest Rates

Table with columns for Interest Rate, Term, and other financial data.

West German Trade Surplus Grew in First Half

West Germany's merchandise trade surplus grew to 55.5 billion Deutsche marks (\$30 billion at current rates) in the first six months of this year, the Federal Statistics Office reported Monday.

That represented a widening of 9.5 percent from 50.7 billion DM in the year-earlier period.

Brazil Asks U.S. Banks for \$7 Billion

By Eric N. Berg
NEW YORK — Only weeks after major banks in the United States declared that a quarter of their Latin American loans were probably worthless, Brazil has asked its bank creditors for \$7.2 billion in new money at zero interest.

Peru Closes Banks, Market

LIMA — Peru imposed a one-day closure on banks, financial houses, currency dealers and the Lima Stock Exchange on Monday after a run on the currency, the intis, on the Lima black market.

Chemical Bank Home Loans

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Advertisement for Audemars Piguet watches, featuring the text 'THE ROYAL OAK. ONE OF THE GREATEST DESIGNS OF THE 20 TH CENTURY.' and 'Audemars Piguet La plus prestigieuse des signatures.'

Monday's NYSE Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Table with columns: 12 Month High, 12 Month Low, Div. Yld. PE, etc. for various stocks.

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U.S. Futures Via The Associated Press

Table with columns: Season High, Season Low, Open, High, Low, Close, Ch.

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Metals

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Industrial

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Company Results

Table with columns: Company Name, Revenue, Profit, etc.

NYSE High-Lows

Table with columns: Company Name, High, Low, etc.

Du Pont Net Rose 10.5% in Quarter

WILMINGTON, Delaware - Du Pont Co., the largest U.S. chemical group, reported Monday that earnings rose 10.5 percent in the second quarter, to \$504 million, or \$2.08 a share, after a year earlier...

Paris Commodities

Table with columns: Commodity Name, Price, etc.

London Commodities

Table with columns: Commodity Name, Price, etc.

Dividends

Table with columns: Company Name, Dividend Amount, etc.

DM Futures Options

Table with columns: Commodity Name, Price, etc.

Spot Commodities

Table with columns: Commodity Name, Price, etc.

S&P 100 Index Options

Table with columns: Index Name, Price, etc.

US Treasuries

Table with columns: Treasury Name, Price, etc.

Standard Brands Panco Rejects Takeover Offer

TORRANCE, California - Standard Brands Panco Co. said Monday its board rejected an offer to be acquired by Entegrow International Ltd. for \$2.1 billion plus \$7 million in debentures for each share, or about \$300 million.

Forest Fires in South of France

PARIS - Forest fires fanned by strong winds swept across nearly 5,000 acres (2,000 hectares) of dry scrubland overnight Sunday in southern France and on the Mediterranean island of Corsica, officials said Monday.

BUSINESS ROUNDUP

Elsevier Increases Bid for Kluwer

AMSTERDAM — Elsevier NV, the Dutch publisher, said Monday that it was raising its contested bid for Kluwer NV by 46.2 guilders to the equivalent of 444 guilders a share. The new bid values the rival publisher at 1.1 billion guilders (about \$332 million).

Reuters Pretax Profit Jumped 42.6% to £81 Million in Half

LONDON — Reuters Holdings PLC, the news agency and financial information services company, said Monday its pretax profit was £81 million (£30.6 million) for the first half of 1987, up 42.6 percent over the like period last year.

BofA Selling Investment Units

SAN FRANCISCO — BankAmerica Corp. said Monday that it will sell two subsidiaries — BA Investment Management Corp. and BA Investment Management International. It disclosed no terms.

Elders Adopts Outside Plan To Split Into 4 Companies

MELBOURNE — Elders DLX Ltd., the diversified Australian company, said Monday that it had agreed in principle to restructuring proposals from AFP Investment Corp. that would split Elders into four new public companies.

Who's importing what in the U.S.A. today?



You don't have to guess anymore. PERS (Port Import/Export Reporting Service) can supply you with the facts rapidly and accurately. Far better than if you were in the U.S.A. calling on importers yourself.

TSB Group Drops Offer for Hogg Robinson

LONDON — TSB Group PLC said Monday that its £283 million (£453 million) takeover offer for Hogg Robinson Group PLC had lapsed following the approval by Hogg Robinson shareholders of a board proposal to split the company into separate units.

New Bidder Emerges For Mercantile House

LONDON — Quader Holdings Inc., a securities firm, said Monday it had made an offer to acquire Mercantile House Holdings PLC that was "significantly higher" than a £512 million (£819 million) stock swap proposed by British & Commonwealth Holdings PLC.

Company Results

Table of company results for various sectors including Canada, Japan, Europe, and others. Columns include company name, revenue, profit, and share price for the current and previous periods.

CARNIVAL: Snags Seen in Cruise Line Share Offering

(Continued from first finance page) Carnival's growth led the industry. From 1983 to 1986, the company's average annual compounded growth rate was 28.5 percent, compared with an industry average of 12.7 percent.

The large amount of money that goes to the Arison family has raised some concerns about the offering, analysts say.

Line, Regency Cruises Inc. of New York and American Cruise Lines of Haddam, Connecticut, all of which have gone public since 1986. Carnival's offering of 23.6 million shares is the largest in the industry, with the company hoping to raise nearly \$400 million.

NOTICE OF REDEMPTION

To the Holders of INA OVERSEAS FINANCE N.V. (now CIGNA Overseas Finance N.V.)

6% Convertible Subordinated Debentures Due August 1, 1997 and 8% Convertible Subordinated Debentures Due September 1, 2000 (Convertible into Common Stock of CIGNA Corporation)

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indentures dated as of August 1, 1977 and September 1, 1980 among INA Overseas Finance N.V., now CIGNA Overseas Finance N.V. (the "Company"), INA Corporation, as Guarantor, and Morgan Guaranty Trust Company of New York, as Trustee, under which the above Debentures (the "Debentures") were issued, as modified by the First Supplemental Indentures dated as of March 22, 1982, among the same parties and, in addition, INA Merger Corporation and CIGNA Corporation (hereinafter collectively referred to as the "Indentures"), the Company has elected to redeem all of the outstanding Debentures on September 2, 1987 (the "Redemption Date") at the Redemption Price of 100.5% of the principal amount of the 6% Debentures and 101.5% of the principal amount of the 8% Debentures, together in each case with accrued interest to the Redemption Date.

Floating-Rate Notes

Table of floating-rate notes with columns for issuer, coupon rate, and bid/ask prices. Includes various international and domestic issuers.

Deutsche Marks

Table of Deutsche Marks with columns for issuer, coupon rate, and bid/ask prices. Includes various international and domestic issuers.

Japanese Yen

Table of Japanese Yen with columns for issuer, coupon rate, and bid/ask prices. Includes various international and domestic issuers.

E.C.U.

Table of E.C.U. with columns for issuer, coupon rate, and bid/ask prices. Includes various international and domestic issuers.

Pounds Sterling

Table of Pounds Sterling with columns for issuer, coupon rate, and bid/ask prices. Includes various international and domestic issuers.

REPUBLIC CLEARING CORPORATION

Advertisement for Republic Clearing Corporation, a Gold and Silver Currencies Instruments Stock Indexes. Includes contact information and a \$25 round turn offer.

Monday's AMEX Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere.

Via The Associated Press

12 Month High	Low	Stock	Div. Yld.	PE	52	High	Low	Close	Chg.
12 1/2	12 1/4	ABN	10 1/2	11	11	12 1/2	12 1/4	12 1/4	+
12 1/2	12 1/4	ABC	10 1/2	11	11	12 1/2	12 1/4	12 1/4	+
12 1/2	12 1/4	AT&T	10 1/2	11	11	12 1/2	12 1/4	12 1/4	+

12 Month High	Low	Stock	Div. Yld.	PE	52	High	Low	Close	Chg.
12 1/2	12 1/4	BAT	10 1/2	11	11	12 1/2	12 1/4	12 1/4	+
12 1/2	12 1/4	BRT	10 1/2	11	11	12 1/2	12 1/4	12 1/4	+
12 1/2	12 1/4	BAK	10 1/2	11	11	12 1/2	12 1/4	12 1/4	+

12 Month High	Low	Stock	Div. Yld.	PE	52	High	Low	Close	Chg.
12 1/2	12 1/4	COF	10 1/2	11	11	12 1/2	12 1/4	12 1/4	+
12 1/2	12 1/4	COM	10 1/2	11	11	12 1/2	12 1/4	12 1/4	+
12 1/2	12 1/4	CON	10 1/2	11	11	12 1/2	12 1/4	12 1/4	+

12 Month High	Low	Stock	Div. Yld.	PE	52	High	Low	Close	Chg.
12 1/2	12 1/4	GOV	10 1/2	11	11	12 1/2	12 1/4	12 1/4	+
12 1/2	12 1/4	IND	10 1/2	11	11	12 1/2	12 1/4	12 1/4	+
12 1/2	12 1/4	INT	10 1/2	11	11	12 1/2	12 1/4	12 1/4	+

INTERNATIONAL FUNDS (Quotations Supplied by Funds Listed) 27th July 1987

Fund Name	Assets	Value	Change
ALMA GROUP	\$284.9	90.72	-
ALMA GROUP	\$284.9	90.72	-
ALMA GROUP	\$284.9	90.72	-

Fund Name	Assets	Value	Change
ALMA GROUP	\$284.9	90.72	-
ALMA GROUP	\$284.9	90.72	-
ALMA GROUP	\$284.9	90.72	-

Republic National Bank of New York

A subsidiary of REPUBLIC NEW YORK CORPORATION

Consolidated Statement of Condition (In Thousands)

Assets	1987	1986	Liabilities and Stockholder's Equity	1987	1986
Cash and demand accounts	\$ 291,014	\$ 206,830	Non-interest bearing deposits:	\$ 577,471	\$ 475,396
Interest bearing deposits with banks	6,444,101	6,885,974	In domestic offices	138,948	71,928
Precious metals	101,917	123,388	Interest bearing deposits:	3,904,187	2,997,801
Investment securities	2,919,508	2,896,757	In domestic offices	7,120,125	7,179,338
Trading account assets	232,640	58,138	In foreign offices	11,724,483	10,724,483
Federal funds sold and securities purchased under agreements to resell	728,522	16,279	Short-term borrowings	873,770	1,116,168
Loans, net of unearned income	3,735,138	3,431,118	Acceptances outstanding	1,989,257	1,284,048
Allowance for possible loan losses	(208,961)	(87,420)	Accrued interest payable	156,570	202,440
Loans (net)	3,526,178	3,343,698	Other liabilities	403,717	299,372
			Long-term debt	550,148	434,248
Total assets	\$17,216,131	\$16,205,340	Republic National Bank of New York's Equity:		
			Common stock \$100 par value; 4,800,000 shares authorized;	355,000	355,000
			3,550,000 shares outstanding	845,000	845,000
			Surplus	302,897	334,601
			Retained earnings	1,502,897	1,534,801
			Total stockholder's equity	\$17,216,131	\$16,205,340
			Letters of credit outstanding	\$ 998,086	\$ 713,422

The portion of the investment in precious metals not hedged by forward sales was \$11.9 million and \$6.8 million in 1987 and 1986, respectively.

REPUBLIC NEW YORK CORPORATION

Summary of Results (In Thousands Except Per Share Data)

	1987	1986	1987	1986
Income (loss) before extraordinary item	\$ (31,353)	\$ 76,128	\$ (80,165)	\$ 43,464
Net income (loss)	\$ (47,222)	\$ 63,196	\$ (90,165)	\$ 30,532
Cash dividends declared on common stock	\$ 17,177	\$ 15,523	\$ 8,580	\$ 7,819
Per common share:				
Income (loss) before extraordinary item	\$ (1.25)	\$ 2.54	\$ (2.79)	\$ 1.44
Net income (loss)	\$ (1.73)	\$ 2.06	\$ (2.79)	\$.97
Cash dividends declared	\$.58	\$.58	\$.29	\$.28
Average common shares outstanding	29,412	27,053	29,636	27,743

*Results reflect a special provision for loan losses of \$100 million and losses of approximately \$84 million on marking to market or sales of certain outstandings in lesser developed countries.

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CURRENCY MARKETS

OTC

CURRENCY MARKETS

Dollar Up Slightly in Quiet Trading

NEW YORK — The dollar closed slightly higher Monday against most major foreign currencies in relatively quiet trading. In New York, the dollar closed at 1.8560 Deutsche marks, up from 1.8515 on Friday, and at 150.65 Japanese yen, up from 149.50. It also closed at 1.5390 Swiss francs, up from 1.5335, and at 6.1750 French francs, up from 6.1610.

Table titled 'London Dollar Rates' with columns for currency, rate, and change. Includes entries for Deutsche Mark, Swiss Franc, French Franc, and Japanese Yen.

That rate is not necessarily so important, suddenly become important. "The short-term bearishness, desperately waiting for something to move it. The economic numbers are not breaking it out of the narrow range."

3d Dinar Bond Is Launched for Kuwait Company

KUWAIT — The state-controlled Kuwait Investment Co. has launched a 20 million dinar (\$71.42 million), five-year bond offering for itself that will also be managed. A spokesman said the offering, which carries a 7.5 percent coupon, would be used to pay for investment activity. It is the first bond offering the company has managed for itself.

In Japan, Dealers Growing Bearish on Dollar in Short Term

TOKYO — Short-term sentiment for the dollar is increasingly bearish, and while the currency is unlikely to fall sharply ahead of the U.S. Treasury's quarterly refunding in August, its outlook in the longer term is mixed, according to a survey of Tokyo foreign exchange dealers.

Operators began pushing the dollar lower after meeting technical selling above 153 yen, which generated the belief that this level was a near-term ceiling. The dollar eased, moving down through the psychological barrier of 150 yen overseas last Friday.

Kangyo Bank Ltd.'s funds and foreign exchange department. Takashi Kanagami, a manager at Mitsubishi Trust and Banking's international money market division, said some operators had begun to sell dollars on speculation that Japanese buying at the refunding will be light due to concern about currency risks and uncertainty over U.S. interest rates.

PROFITS: U.S. Companies' Earnings Begin to Benefit From Lower Dollar

(Continued from Page 1) goods industries, like heavy equipment, in which markets take a long time to develop. Nevertheless, the overall impact is substantial. "This is a gradual process that you don't see all at once," said David Wyss, chief financial economist at Data Resources Inc., an economic forecasting firm.

Assuming the dollar stays close to where it is now, we estimate that for the whole year the lower dollar could raise earnings by between \$55 million and \$70 million," Mr. Roberts said. According to Coca-Cola Co., on a trade-weighted basis the dollar was 17 percent lower in the second quarter than it was during the same period of 1986.

EXPORT: Japanese Send 'Made in America' to Japan

(Continued from Page 1) how the 50 percent rise of the yen against the dollar in the last two years has altered the competitive landscape. "I think it's an interesting straw in the wind," said S. Bruce Smart Jr., managing director of commerce for international trade administration. "It means they can make things more cheaply in the United States," he added, noting that the rise in the yen and efforts to hold down labor costs in the United States have nearly eliminated Japan's labor-cost advantage.

From \$53.1 billion on March 31, 1983, the end of Japan's 1983 fiscal year, Japan's foreign investment rose to \$106 billion last March 31. The 1983 figure had doubled from only four years earlier and was four times the level of March 1975, according to the Japan Economic Institute, a Washington-based research organization financed by the Japanese government.

U.S. Postpones 2d Bill Auction

WASHINGTON — The U.S. government postponed Monday's scheduled auction of 13- and 26-week Treasury bills for the second straight week because Congress has failed to raise the debt ceiling. The government had been allowed to raise debt until two weeks ago, when the limit automatically reverted to \$2.1 trillion.

But trade analysts say that Japanese consumers are willing to trust the quality of goods made by Japanese companies no matter where they might be manufactured. "Convincing Japanese consumers that American companies can make high-quality merchandise is something that will take a long time," said Mr. Yoffie. "To compare it with the former reluctance of Americans to purchase Japanese goods because they thought they were cheap and shoddy, which took at least until the 1960s to change," he said.

Monday's OTC Prices

Large table containing OTC prices for various stocks, organized into columns (A, B, C, D, E, F, G, H, I, J, K, L, M, N, O, P, Q, R, S, T, U, V, W, X, Y, Z) with columns for stock name, price, and change.

SPORTS

Only 5 Outs From Perfect, Dotson Loses To Yankees

CHICAGO — When Richard Dotson struck out Dave Winfield of the New York Yankees to open the eighth inning Sunday, he had a 2-0 lead and five outs away from pitching a perfect game.



Richard Dotson

that ended the perfect game. After Ward and Winfield homered in the ninth, Dotson was replaced by Ray Searage.

BASEBALL ROUNDUP

right-hander began struggling with arm and chest ailments that required surgery, and the White Sox, too, fell on hard times. Sunday, after two years of agony, he was in a position to recapture the glory days. Then fate intervened, and Dotson just didn't get a perfect game, he lost.

Dotson won 22 games in 1983 when he was only 24 years old but the key man on a young staff that helped the Chicago White Sox win 99 games that season. Then the big

Becker Beats Mayotte in Another Cup Cliff-Hanger

By John Feinstein



The Red, White And Davis Blues

John McEnroe, left, waved a huge American flag during the match Sunday night, spurring on both U.S. Davis Cup teammates Tim Mayotte and the crowd in Hartford, Connecticut. But it was Boris Becker, after winning "the most difficult match of my life" by the score of 6-2, 6-3, 5-7, 4-6, 6-2, who had cause to leap happily into the arms of West Germany's team captain, Niichi Pillc.



think it began to affect him. He finally started missing. At 5-11, after Becker had saved three break points, he made a rare mistake, pushing a backhand wide.

played like perfect tennis," Becker said. "I was doing everything I wanted to. If I win one more point, I probably win in three sets. But he made a great shot and the match became very hard." Mayotte's shot came with Becker up, 3-2, in the third set. Becker had gotten a little loose, letting Mayotte break him to lead, 2-1, in the set. Becker took a deep breath and broke back at love, finishing the game with a textbook topspin lob.

Becker said, "I was feeling the emotion of the crowd." Mayotte said, "Their support got me going and I picked up my tennis. I started moving the target around on his serve and I

in the fourth, he broke, somehow returning a huge serve by Becker from about the fourth row of seats, with a shocked Becker netting a backhand. The adrenalin surging, Mayotte served out the set, coming up with an ace on Becker's one break-back chance. They had played three hours and they were even again. One set would decide the whole weekend.

He had finally reached the point where he was playing the way he plays in tournaments. And Boris wasn't the Boris he had been against John on Friday and in the first two sets. The crowd was cheering wildly now and Mayotte was torrid. At 2-

Becker was jumping, screaming, heard clearly in the suddenly quiet building. It was over soon after, with another break and another backhand return. Overjoyed, Becker hurled his racket high into the stands and jumped into the arms of his cheering, relieved, teammates.

His racket, he was told, had hit Pauline Morreen, an elderly spectator from Hancock, New Hampshire, on the head. She was shaken, but

Spain Beats Paraguay, 3-2

Spain won its series in the cup quarterfinal round Sunday in Caracas when Emilio Sanchez defeated Paraguay's Hugo Chapcu, 6-1, 6-3, 6-0. The Associated Press reported. Earlier in the day, Victor Pecci of Paraguay had beaten Sergio Casals to even the series at 2-2, serving a dozen aces and only two double faults for a 2-6, 6-3, 6-2 victory.

U.S. Loses Navratilova

Martina Navratilova, the world's top-ranked women's player, sprained an ankle playing basketball and has been taken off the U.S. Federation Cup team. The Associated Press reported. Elise Burgin was chosen to replace Navratilova, team spokesman Henry Wancko said.

SPORTS BRIEFS

Wrenn Wins, 26 Under Par

GRAND BLANC, Michigan (AP)—Robert Wrenn, with a near-record 26-under-par 262, Sunday won the first time in four years on the PGA Tour, taking the Buick Open by seven strokes over Dan Pohl.

Righteous Bucks Wins Cane

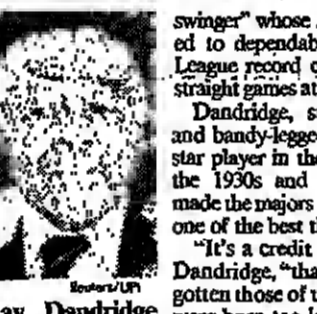
YONKERS, New York (UPI)—Righteous Bucks, the favorite, rallied Sunday night to win the Cane Pace, the first leg of racing's Triple Crown, by a half-length over Golden Greek. Since Hanover was 1 1/2 lengths back.

For the Record

The last round of U.S. Women's Open golf tournament in Edison, New Jersey, was postponed until Monday because of a thunderstorm with wind gusts of more than 80 mph (129 kph).

Dandridge, Hunter and Williams Enter the Baseball Hall of Fame

New York Times Service COOPERSTOWN, New York — In this bucolic little town where the "Abner Doubleday" did not invent baseball, and where a lovely piece of fiction is believed to grow into a legend, three men who performed real, and extraordinary, deeds were officially proclaimed Sunday as legends themselves.



Ray Dandridge

Major League Leaders

Table with columns: Team, Games Won, Games Lost, Winning Percentage. Lists leaders for American League, National League, and PCL.

Golf

Table with columns: Player, Score. Lists leaders for Buick Open and other tournaments.

Tennis

Table with columns: Player, Opponent, Score. Lists tennis match results.

Football

Table with columns: Team, W, L, T, Points For, Points Against. Lists NFL standings.

Transition

BASEBALL American League BOSTON—Pat Al Nowak, pitcher, on 21-day disabled list, retroactive to July 20.

National League

DETROIT—Ron Dickson, pitcher, on 15-day disabled list.

Pitching (7 decisions)

Table with columns: Player, Team, Record. Lists pitching stats.

CFL Standings

Table with columns: Team, W, L, T, Points For, Points Against. Lists CFL standings.

Herald Tribune

Advertisement for Herald Tribune featuring various news headlines and a photo of a man.

Advertisement for Air France flights with the text 'The Inflight Newspaper is available on all Air France flights.'

Advertisement for Davis Cup tennis tournament.

Advertisement for Federation Cup tennis tournament.

Advertisement for Air France featuring the logo and text 'AIR FRANCE Bringing the world's most important news to the world's most important audience.'

Vertical text on the left margin: 'in Pakistan', 'ing Research', 'Possible', 'in Forces', 'position'.

ART BUCHWALD
The Well-Dressed Doll

WASHINGTON — I have nothing against toy companies. They have a right to live just like everybody else in their own way they bring happiness to the hearts of our young ones, and they give employment to thousands of people all over the country. It is only when they try to bankrupt me that I feel I should speak out. If my situation is duplicated around the country, every father who has a daughter between the ages of 4 and 12 is going to have to apply for relief.



Buchwald

Our 7-year-old daughter requested, four months ago, a Barbie doll. Now, as far as I'm concerned, one doll is just like another, and since the Barbie doll cost only \$10.95 I was obliged to oblige. We bought the doll home and I thought nothing more of it until a week later my daughter came in and said, "Barbie needs a negligee."

for her and \$45 to outfit her Barbie doll. A week later my daughter came in and said, "Barbie wants to be an airline stewardess." "So let her be an airline stewardess," I said. "She needs a uniform. It's only \$8.50." I gave her \$8.50. Barbie didn't stay a stewardess long. She decided she wanted to be a nurse (\$8), then a singer in a nightclub (\$15), then a professional dancer (\$12).

Marketing the 'English Season'

By Francis X. Clines

New York Times Service

EGHAM, England — It took a few thousand years, but polo is now a busy new venue for social climbing in Britain, complete with "castle creepers" — social overreachers — and handsome, mercenary athletes racing past a pop-culture melange that was displayed Sunday like designer duffels along the borders of the greenward.



Princess Charles and Princess Diane after the match.

The polo, thick with commoner families who came in at \$20 a carload and high-society groups up in the price scale, waited for what some call "The Kiss," the one of the Princess of Wales bestowing on the overbeaten lips of her husband, Prince Charles, after his final chukker of play.

British Raj in India a century ago. In the last decade it has evolved here from a casual affair for moon-eyed families to a full-fledged, publicity-steeped event. "There's lots of aggression, it's very masculine and the men look fabulous," said Sue Ferguson, wife of the "Major God" of English polo, Major Ronald Ferguson. He is the father of the Duchess of York, better known to the many commoners in the crowd as "Fergie." From walkie-talkie and motorcycle, the former directed Sunday's events as polo manager for Charles, the Prince of Wales, who scored a goal as his future subject cheered.

Buddhist Shrines Restored

Agency France Press

BEIJING The Chinese government has spent almost 20 million yuan (about \$5.4 million) on the restoration of about 20 Buddhist monasteries and temples in Qinghai province that were destroyed or damaged during the 1966-76 cultural revolution, the New China News Agency said.

While on vacation

Art Buchwald received limited immunity, and the special prosecutor has allowed him to reprint some of his favorite columns.

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PEOPLE
Angry Joel Rocks Soviet

Billy Joel surprised his Soviet audience Monday night in Moscow when he lost his temper, overrode an electric piano and smashed a microphone. Angrily by a film crew, he snatched the microphone and sang "Major Tom" solo. He then flipped over an electric grand piano he was playing, lifted a microphone stand over his head and smashed it on the stage. At the end of the song, the lights were turned down and Joel continued with his band, banged on a set of drums and then resumed the concert. Joel was playing one of six shows in Moscow's 20,000-seat Olympic Sports Stadium.

Elsa in the new arrangement by the film director, Werner Herzog, but was forced to cancel because of illness, the organizers said. Her role was taken over by the Swedish singer Catarina Ligendza, who joined the Canadian Paul Frey, giving his first performance at the festival in the title role. President Karl-Walther and Chancellor Franz-Josef Strauss were in a capacity audience who heard Herthens von Karajan launch the 65th Salzburg Festival with Mozart's opera "Don Giovanni." Almost crippled now by a severe spinal ailment, Karajan, 79, appeared deeply touched by a standing ovation and led the cast in restraining the applause.

LOW-COST FLIGHTS

Table with columns for destinations (New York, Los Angeles, etc.) and prices. Includes 'ACCESS VOYAGES' and 'DOMESTIC POSITIONS WANTED'.

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